



OFFICES OF THE COUNTY EXECUTIVE

Isiah Leggett
County Executive

MEMORANDUM

August 5, 2010

TO: Nancy Floreen, Council President

FROM: Isiah Leggett, County Executive

SUBJECT: EMS Transport Fee Referendum and FY2011 Budget Adjustments

As you are aware, if the ballot initiative related to Bill 13-10, Emergency Medical Services Transport Fee – Established, is successfully petitioned and certified, it stays the implementation of Bill 13-10, and therefore leads to an immediate shortfall in the current year budget of approximately \$14 million. The purpose of this memorandum is to notify the Council of how I plan to proceed if Bill 13-10 is successfully petitioned to referendum.

The Emergency Medical Services reimbursement will fund critically needed services and would bring in \$14 million a year – and \$200 million over ten years -- in revenue from monies already set aside by private insurance companies, Medicare, and Medicaid. County residents with health insurance will pay nothing – no co-pays, no deductibles, nothing. The charge will be billed directly to Medicare, Medicaid, and health insurance companies. County residents without insurance pay nothing. And whatever standard rates companies pay for the service will be accepted as payment in full. It would be most unfortunate if we cannot access these funds to improve services and save lives.

It is critical that we move quickly to identify immediately the necessary budget adjustments to deal with the potential new gap because of continued uncertainty about the economy and our revenue collections, and the need to ensure that we maintain adequate reserves. I have asked the Office of Management and Budget to begin preparing for my consideration, \$14 million in tax-supported reductions.

Making these cuts will be tremendously difficult based on the reductions we have already taken. Balancing the FY2011 budget was extraordinarily challenging and our community is already bearing the impact of those difficult decisions. Because of the limited options available, these additional cuts will impact all of the County Government and will certainly hit public safety, including our fire and rescue services.

Nancy Floreen, Council President

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To place the cuts in perspective, the furloughing of county employees, which is proving challenging to our delivery of services, saved approximately \$10 million, far short of what will be needed to cover the loss of revenue from the fee.

If the referendum is certified, I will share my planned reductions with the Council and I will ask that you act on them as soon as possible. The longer we wait in the fiscal year to identify reductions to offset a loss of reimbursement revenues for EMS transport services, the more difficult it will be to achieve the necessary savings.

IL:rsd